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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-017

Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Rescission of 2014-2016 Countervailing Duty New Shipper Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The U.S. Department of Commerce (the Department) is conducting a new shipper review (NSR) of the countervailing duty (CVD) order on passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (the PRC). The NSR covers one exporter/producer of subject merchandise, Shandong Xinghongyuan Tire Co., Ltd. (SXT). The period of review (POR) is December 1, 2014, through January 31, 2016. The Department preliminarily determines that SXT did not satisfy the regulatory requirements to request an NSR, and, therefore, we are preliminarily rescinding this NSR. Interested parties are invited to comment on the preliminary results of this review.

DATES: Effective [insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3857.

SUPPLEMENTARY INFORMATION:

Background

On June 6, 2016, the Department published notice of initiation of an NSR of passenger tires from the PRC for the period December 1, 2014, through January 31, 2016.¹ On October 27, 2016, the Department extended the deadline for the preliminary results to January 23, 2017.²

Scope of the Order

The product covered by this order is passenger tires from the PRC. For a complete description of the scope, see the Appendix to this notice.

On June 3, 2016, American Omni Trading Company, LLC (American Omni) and Unicorn Tire Corporation (Unicorn Tire) requested clarification of a prior ruling regarding the scope of the order.³ The Department issued a preliminary clarification on October 20, 2016,⁴ and subsequently received comments in support of the clarification from American Omni and Unicorn Tire.⁵ Accordingly, the Department finalized the clarification, with no modifications, on November 29, 2016.⁶

Methodology

The Department is conducting this review in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214. For a full description of the methodology underlying our conclusions,

¹ See *Passenger Vehicle and Light Truck Tires from the People's Republic of China: Initiation of Countervailing Duty New Shipper Review; 2014-2016*, 81 FR 36262 (June 6, 2016).

² See Department Memorandum, "Passenger Vehicle and Light Truck Tires from the People's Republic of China: Extension of Deadline for Preliminary Results in Countervailing Duty New Shipper Review," October 27, 2016.

³ See Department Memorandum, "Countervailing Duty New Shipper Review of Passenger Vehicle and Light Truck Tires from the People's Republic of China: Placing Scope Ruling Request on the Record," August 2, 2016, at Attachment.

⁴ See Department Memorandum, "Antidumping Duty New Shipper Review of Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Clarification of Scope Ruling," October 20, 2016.

⁵ See Letter from American Omni and Unicorn Tire, "Passenger Vehicle and Light Truck Tires from the People's Republic of China: Comments on Preliminary Clarification of Scope Ruling," October 27, 2016.

⁶ See Department Memorandum, "Antidumping Duty New Shipper Review of Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Clarification of Scope Ruling," November 29, 2016.

see the Preliminary Decision Memorandum, which is hereby adopted by this notice.⁷ The Preliminary Decision Memorandum is a public document that is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, Room B8024, of the Department's main building. A complete version of the Preliminary Decision Memorandum can also be accessed at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Preliminary Rescission of the Countervailing Duty New Shipper Review

The Department preliminarily finds that, based on substantial evidence on the record, SXT has not satisfied the statutory and regulatory requirements to request an NSR. Specifically, the Department finds that SXT's request for an NSR was based on the inaccurately certified statement that SXT is not affiliated with any PRC exporter or producer that exported subject merchandise to the United States during the period of time examined in the original CVD investigation (*i.e.*, January 1, 2013, through December 31, 2013).⁸ Further analysis of SXT's corporate affiliations and the factual information underlying this preliminary rescission is provided in the Preliminary Decision Memorandum.

⁷ See Department Memorandum, "Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Rescission of Countervailing Duty New Shipper Review," January 23, 2017 (Preliminary Decision Memorandum).

⁸ See *Countervailing Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 80 FR 34888, 34888 (June 18, 2015); see also Letter from SXT, "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: New Shipper Review Request," February 25, 2016, at Exhibit 2 (certifying that "since the investigation was initiated, {SXT} has never been affiliated with any exporter or producer who exported the subject merchandise to the United States during the period of investigation including those not individually examined during the investigation").

Public Comment

Interested parties may submit case briefs or other written comments no later than 30 days after the publication of these preliminary results in the *Federal Register*.⁹ Rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for case briefs.¹⁰

Interested parties who wish to request a hearing must submit a written request within 30 days of the publication of these preliminary results in the *Federal Register*.¹¹ Such requests should contain the party's name, address, and telephone number, as well as the number of participants and a list of the issues to be discussed. Oral arguments will be limited to issues raised in the case and rebuttal briefs. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date, time, and location to be determined. Parties will be notified of the date, time, and location of any hearing.

Parties must file their case briefs and rebuttal briefs, as well as any requests for a hearing, electronically, using ACCESS. Electronically filed documents must be successfully received in their entirety via ACCESS no later than 5:00 PM Eastern Time on the abovementioned deadlines.¹²

The Department intends to issue the final results of this NSR, which will include an analysis of any issues raised in briefs, no more than 90 days after the release of these preliminary results, pursuant to section 751(a)(2)(B) of the Act.

⁹ See 19 CFR 351.309(c)(1)(i).

¹⁰ See 19 CFR 351.309(d)(1).

¹¹ See 19 CFR 351.310(c).

¹² See 19 CFR 351.303(b)(1).

Assessment Rates

If the Department proceeds to a final rescission of SXT's NSR, the assessment rate to which SXT's shipments will be subject will not be affected by this review. The Department, however, initiated an administrative review of the CVD order on passenger tires from the PRC covering numerous exporters for the period of December 1, 2014, through December 31, 2015, which encompasses the period covered by this NSR.¹³ Therefore, if the Department proceeds to a final rescission, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend subject merchandise exported by SXT and entered into the United States during the period December 1, 2014, through January 31, 2016, until CBP receives instructions relating to the abovementioned administrative review of this order.

If the Department does not proceed to a final rescission of this NSR, pursuant to 19 CFR 351.212(b)(1), we will calculate an importer-specific assessment rate based on the final results of this review.

Cash Deposit Requirements

Effective upon publication of the final rescission or the final results of this NSR, the Department will instruct CBP to collect cash deposits for entries of SXT's subject merchandise. If the Department proceeds to a final rescission of this NSR, the cash deposit rate for SXT will continue to be the all-others rate because the Department will not have determined an individual subsidy rate for SXT. If the Department issues final results for this NSR, the Department will instruct CBP to collect cash deposits, effective upon publication of the final results, at the rates established therein.

¹³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 71061, 71065 (October 14, 2016) (*Administrative Review Initiation Notice*).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of countervailing duties occurred and the subsequent assessment of double countervailing duties.

We are issuing and publishing these preliminary results in accordance with sections 751(a)(2)(B) and 771(i)(1) of the Act.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

January 23, 2017

Date

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